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Division contingency contracting in
Iraq/Afghanistan: sustaining civilian voluntary workforce

Brosch, Paige; Wigfall, Henry; Clemons, Travis

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NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

JOINT APPLIED PROJECT

**Army Corps of Engineers and Gulf Region Division Contingency
Contracting in Iraq/Afghanistan:
Sustaining Civilian Voluntary Workforce**

**By: Paige H. Brosch
Travis Clemons, and
Henry Wigfall
September 2008**

**Advisors: Cory Yoder
John Moore**

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**ARMY CORPS OF ENGINEERS AND GULF REGION DIVISION
CONTINGENCY CONTRACTING IN IRAQ/AFGHANISTAN:
SUSTAINING CIVILIAN VOLUNTARY WORKFORCE**

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Submitted in partial fulfillment of the requirements for the degree of

MASTER OF SCIENCE IN CONTRACT MANAGEMENT

from the

**NAVAL POSTGRADUATE SCHOOL
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**ARMY CORPS OF ENGINEERS AND GULF REGION DIVISION
CONTINGENCY CONTRACTING IN IRAQ/AFGHANISTAN:
SUSTAINING CIVILIAN VOLUNTARY WORKFORCE**

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I. INTRODUCTION

A. PURPOSE

The purpose of this study is to provide recommendations to the USACE leadership on strategies to accomplish the current contracting missions in the USACE GRD/AED, and yet undefined future contingency/expeditionary operations. A secondary purpose is to provide recommendations for sustaining the civilian voluntary contracting workforce in Iraq and Afghanistan.

B. OBJECTIVE

The overall objective of the study is to describe, and analyze, a relatively new USACE contracting organization and structure created to execute and administer the construction portion of the ongoing operations in Iraq and Afghanistan, particularly in terms of sustaining an all-volunteer civilian contracting workforce.

C. RESEARCH QUESTIONS

Primary Research Question: How are the USACE and the new, GRD/AED structured to accomplish the Iraq and Afghanistan contracting missions; and to what extent are the on-going strategy, structure and processes accomplishing the mission?

Subsidiary Questions:

- Q1: Does the current USACE contracting structure support contingency contracting?
- Q2: How can the process of using Army civilian contracting volunteers in Iraq/Afghanistan be described, and to what extent is the current process sustainable?
- Q3: What are likely affects of changing from a voluntary to a mandated deployment approach?
- Q 4: To what extent does an aging U.S. defense workforce affect GRD and Afghanistan Engineering District (AED) contracting missions over the next few years, and what are the expectations for sustaining current levels of U.S. contracting volunteers, and what are additional alternatives?

- Q 5: To what extent has the USACE used outsourcing to accomplish needed contracting functions in Iraq and Afghanistan?

D. SCOPE AND LIMITATIONS

The USACE contingency/expeditionary operations have expanded and accelerated leading to the creation of the USACE GRD/AED. The GRD is responsible for completing the construction portion of the Iraqi Relief and Reconstruction Fund (IRRF) program, which allocated \$18.4 billion to rebuild Iraq's infrastructure, damaged from years of neglect, sanctions, and war. The AED has a similar mission to provide valuable engineering and construction services to support the development and execution of U.S. and international efforts to establish a secure and stable environment in Afghanistan. The need for deployable and experienced civilian Army contracting personnel has soared, with voluntary tour-acceptance ranging from four-months to repeated deployments lasting several years in some cases.

E. APPROPRIATE DATA

The analysis of GAO reports, GRD's Acquisition Plan, the Gansler Report, and various related publications will be used for background information and data. The results from recent "market research" directed at the USACE acquisition workforce to determine what incentives would motivate civilians to volunteer for assignments with the USACE Gulf Region Division (GRD) will be analyzed. Researches will use insight from the USACE Leaders in contracting that will focus on their concerns and recommendations for meeting the current demand for qualified contracting personnel.

II. LITERATURE REVIEW

A. INTRODUCTION

This project examines various challenges facing the USACE in relation to the current contingency operations in Iraq and Afghanistan.

In Iraq, the USACE is working at improving the oil infrastructure, power supply, water resources infrastructure, hospitals, education, roads, and bridges – all the things needed to build a strong society. In addition to its nation building efforts, the Corps also supports the military by constructing buildings and facilities. The USACE has deployed over 3,000 personnel to these contingency environments since the Global War on Terrorism (GWOT) began; of which most are civilian volunteers that have served multiple tours. According to division and district officials, the Corps' ability to maintain a workforce sufficient to accomplish its traditional mission is being affected by three key challenges. These challenges are as follows: (1) intense competition from the private sector and other entities to hire the best talent; (2) the loss of staff to various contingency operations, such as Iraq and Afghanistan; and (3) the large number of employees who are eligible to retire.

In the June 2008, Congressional Research Service (CSR) report, a report prepared for members and committees of Congress, states that over the past few years logistical support service contracts have grown in size, shape, and complexity. While the complexity has increased, the size of the federal contracting workforce has decreased. There is now an imbalance – there are fewer federal contracting officials to manage the large-scale contracts. As a result, the government has sought to hire contractors to do the job that federal employees used to perform. Questions being addressed include the extent to which current demands, requirements, and expectations concerning civilian contracting personnel in Iraq and Afghanistan are being achieved, including the efficacy of using civilian volunteers to fulfill deployment needs.

This literature review draws from the following primary sources:

- Government Accountability Office (GAO) reports and testimony
- Open print news articles
- Reports/studies from Congressional commissions/panels
- Office of Management and Budget (OMB), Office of Federal Procurement Policy (OFPP) and applicable Executive Branch documents, and
- Thesis studies from the Naval Postgraduate School (NPS) and the Air Force Air War College

B. AVERTING THE DOD CIVILIAN WORKFORCE CRISIS

Following 11 consecutive years of downsizing, the government workforce faced serious imbalances in the skills and experience of its highly talented and specialized civilian workforce. Further, 50 percent will be eligible to retire by 2005. In some occupations, half of the current employees will be gone by 2006. The situation worsens as experienced professionals continue to retire, while the contingency contracting “workload” continues to increase. An additional troubling detail is that only about 6 percent of the 178K DoD procurement workforce is active military.

In 2001, Scott G. Schoeb of the U.S. Army War College conducted a Strategy Research Project titled “Averting the DoD Civilian Workforce Crisis.” Schoeb used the Acquisition Task Force Report 2005 Final Report: “Shaping the Civilian Acquisition Workforce of the Future,” Oct 2000¹ as the basis of his study. The report revealed that for various reasons the DoD was faced with a substantial exodus of its acquisition civilian workforce over a 10-year period. The report examined conditions associated with civilian losses and detailed actions necessary to enhance/augment recruitment and retention of certified and experienced acquisition personnel with the skill sets needed to accomplish national security objectives. Schoeb pointed out that one of the primary tasks of the civilian workforce is the acquisition of general and highly specialized material needed to run the largest and most complex business entity in the world.

¹ Acquisition Task Force 2005 Final Report: “Shaping the Civilian Acquisition Workforce of the Future, Oct 2000.

The Acquisition Task Force Report was prepared to analyze strategic concerns facing defense acquisition. The report described a substantial age distribution change within the DoD civilian workforce. Of concern, was the substantial number of DoD civilians due to retire in the next ten years. Specific to the Army, the report gave statistical estimates that by 2010, 62 percent of the Army's civilians will be fully eligible for retirement with an additional 26 percent qualified for early retirement. The GAO report, *DOD Civilian Human Capital Strategic Plan*,² illustrated that in 2006, approximately 23 percent of the USACE workforce was eligible to retire, although on average, Corps employees retire 5.75 years after they are eligible. A premise of this study is that the civilian contracting workforce remains essential to accomplishing national security objectives, particularly in the Iraq/Afghanistan theatres.

C. ACQUISITION WORKFORCE

In its *Acquisition Workforce: Status of Agency Efforts to Address Future Need*³ study, GAO examined how six civilian agencies are addressing their future acquisition workforce needs. Together these six agencies account for approximately 72 percent of civilian (non-military) federal contracting dollars spent on an annual basis. The Department's of Energy, Veterans Affairs (VA), and the General Services Administration are developing plans to strengthen their acquisition workforces. The Department's of Treasury, Health and Human Services, and the National Aeronautics Space Administration (NASA) are involving members of their acquisition workforce in their plans to manage human capital. All are implementing new and/or strengthening existing career development and training programs. GAO went on to say that, the agencies would face considerable challenges in terms of successfully formulating and implementing viable human capital strategies. It was noted that most acquisition professionals would need to acquire a new set of skills focusing on business management. Because the acquisition environment is more sophisticated, acquisition personnel can no longer just be

² GAO-08-439R DOD Civilian Human Capital Strategic Plan, May 2008.

³ Acquisition Workforce: GAO-03-55, December 2002, Status of Agency Efforts to Address Future Needs (referenced throughout this section).

purchasers or process managers. These professionals will now need to be skilled at examining business problems and assisting with developing strategies in the early stages of the acquisition. With the frequent changes in budget, rules, regulations, and mission, agencies find it difficult to forecast the requirement for future workforce. Many agencies simply do not have the needed data on their workforce, such as skills, knowledge, size, location, and retirement rates. Such data is critical to planning future needs. GAO stated that in their attempt to overcome these challenges, these agencies could learn from the DOD, which has made progress in acquisition workforce strategic planning and has addressed some of the same issues.

GAO included the following DoD lessons learned in their study: (1) DoD officials understood that the strategic planning effort needed would take time and that effective leadership and guidance, along with technology and sound methodology, were required to accurately forecast workforce needs. (2) DoD's experience in strengthening its civilian acquisition workforce through workforce planning provides useful lessons learned that could benefit the aforementioned agencies. (3) DoD has analyzed its current workforce and made projections for the future and recognized that implementing a strategic approach to reshaping the workforce involves substantial challenges.

GAO also observed that though DoD has made progress in acquisition workforce strategic planning, it still must overcome cultural resistance to its strategic approach and build a solid foundation for planning. DoD's efforts to address its challenges include the following: (1) a sustained commitment by managers is needed due to the amount of time strategic planning takes; (2) accurate and accessible data must be available to carry out workforce analyses; (3) planning must be carried out at the appropriate level of the organization; (4) organizations must have the right tools to make projections about the workforce and the training needed to properly use the tools; and (5) when planning is to be performed at lower organizational levels, managers must support the effort which clearly identifies strategic and performance goals and have the authority they need for the planning effort. In addition to a lack of specific guidance, data, and modeling tools, other

barriers included ad hoc policy decisions, cultural resistance to workforce planning, limited strategic workforce planning expertise, and the lack of an institutional structure to support strategic workforce planning.

GAO noted that in 2001, DoD created the Acquisition 2005 Task Force to develop a plan to rebuild its acquisition workforce. The Task Force made several recommendations that DoD had begun implementing as of the date of the GAO report. One of the primary recommendations was to develop and implement a human capital strategic plan for the civilian acquisition workforce.⁴ According to DoD, the first cycle highlighted the key planning barriers that needed to be overcome. This provided valuable experience for future planning and implementation of developed strategies. The DoD estimated that it would take as long as five years to mature the human capital strategic planning process.

D. URGENT REFORM REQUIRED (THE GANSLER REPORT)

Challenges to the U.S. Army's career Acquisition workforce in an expeditionary environment – an analysis of the Gansler report of the “Commission on Army Acquisition and Program Management in Expeditionary Operations” dated 31, 2007 (hereinafter titled the “Report”).

The Commission made four overarching recommendations⁵ to ensure the success of future expeditionary operations: (1) increase the stature, quantity, and career development of military and civilian contracting personnel, particularly for expeditionary operations; (2) restructure organization and restore responsibility to facilitate contracting and contract management; (3) provide training and tools for overall contracting activities in expeditionary operations; and (4) obtain legislative, regulatory, and policy assistance to enable contracting effectiveness in expeditionary operations.

⁴ The Acquisition 2005 Task Force Final Report - Shaping the Civilian Acquisition Workforce of the Future (October 11, 2000).

⁵ Testimony of John J. Young, Under Secretary of Defense Acquisition, Technology & Logistics, before the U.S. House Committee on Armed Services, April 10, 2008.

The Report recognized that the Department of Defense (DoD) and the Armed Services have made significant changes to adapting and meeting expected challenges to contracting since the end of the Cold War. While shifting from the old “Institutional Army”⁶ model to a more modern “Operational Army” model, the Army acquisition workforce has found itself stretched thin with ongoing operations in Afghanistan and Iraq, the seven-fold increase in contract actions since the events of 9/11, changes in technology, and the heavy reliance on contractors to provide essential services. The Army has adapted to these demands by moving to a value-based procurement system.”⁷

The Report commented that the Army’s largest population of contracting expertise are civilians, therefore the Army needs to provide incentives, be honest and upfront with civilians about the assignment and conditions, and treat them with respect equal to that given to military personnel. Additionally, civilian contracting personnel who deploy for expeditionary contracting are undervalued, inadequately compensated; require additional education and training, more career opportunities and other occupational incentives. According to the Report a complete review and rewrite of each applicable directive impacting civilian personnel involvement in military operations should be accomplished to include such topics as the following: 1) Law of Warfare (can civilians be armed?) and Geneva Convention; 2) conditions under which civilians will receive benefits of POW/MIA; 3) conditions under which civilians will receive medical treatment for life; and 4) conditions under which civilians will receive disability pensions.

The Report goes on to say that in order to properly plan, synchronize operations, and manage the supply chain, it is essential that commanders be given timely situational awareness of contracts and contractor personnel and assets on the battlefield. Contracting personnel sent into a theater of operations need to be highly skilled, adequately trained,

⁶ The Institutional Army supports the Operational Army. Institutional organizations provide the infrastructure necessary to raise, train, equip, deploy, and ensure the readiness of all Army forces.

⁷ With value-based procurement, the impetus falls on suppliers. Key suppliers relinquish their roles as disinterested bystanders — merely delivering traditional design-and-build products or services — to become full-solution providers. In the private sector, this means manufacturers take responsibility for assembly and large-scale integration, and all other roles go to a few key partners.

and prepared for the assignment. Along with the training, tools and experience needed, expeditionary contracting personnel need to be on the ground in theater where they can interface and interact with their customer in order to better support the warfighter. Operational commanders need training emphasizing the important role contracting plays, as well as their responsibilities in the process.

The Report concludes that the Army needs to recognize the significance of contracts and contractors in an expeditionary environment and educate operational commanders on the important role of expeditionary contracting. Not doing so has resulted in major errors in judgment that caused cost over-runs, bad requirements, and fraud. Of all the forces operating in the theaters, the Army has the highest case of fraud. This signifies that the Army needs to provide better training for its contracting officers. Only 38 percent of the Army contracting workforce in-theater is certified for the positions held; and, overall, Army a significant number of contracting people are not certified for the position occupied. Of the percent authorized, the Army fills only 80 percent of the civilian contracting billets.

The Report attempted to clarify the current state of expeditionary contracting, the challenges now facing it and provide recommendations for creating a strong expeditionary contracting force of both military and civilian professionals. The Report recommends for the Army to have an effective strategy it needs to adequately fund career-planning programs, expand education and training, explore promotion potential, and develop contracting internships.

E. THE CORPS AT A CROSS ROAD

Dan McGraw's, article "The Corps at a Cross Road" ⁸ outlines recent challenges the USACE is facing. McGraw explains that the USACE is currently dealing with expanding military duties by functioning as the lead agency in awarding contracts for the reconstruction of Iraq and Afghanistan. These duties include restoring the power grid,

⁸ McGraw, Dan "Corps at a cross road, The ASEE Prism." October 2003, on-line, Internet, August 16, 2008, available from http://findarticles.com/p/articles/mi_qa3797/is_200310/ai_n9313164.

rebuilding bridges and roadways, constructing barracks and other infrastructure to service the troops, and to restore pipelines and port facilities. The USACE is accomplish is accomplishing all of these activities under the constant threat of suicide bombers and sabotage. McGraw goes on to say that the Corps' is playing out its military functions at home as well. With the Corps' duties including protecting the nation's water supply, the USACE finds itself devoting more and more resources to prevent biological and chemical terrorist attacks at many reservoirs.

McGraw sites the Corps' budget at approximately \$15.2 billion a year. About 60 percent of the budget goes to military construction. The Corps executed about 70 percent of its total budget on contracts with private corporations. The Corps civilian acquisition workforce awarded and managed these contracts. In 2004, the Bush administration cut the USACE budget by about 10 percent, affecting mostly the civil works side of its mission.

The article also highlighted concerns about the Corps aging workforce. McGraw estimated that about one third of the USACE 35,000 employees would be eligible for retirement in the next decade. According to article, the Corps leadership is worried that decades of expertise and "agency memory" will be lost with the coming retirements. The concern has led the Corps to collaborate with several universities, which have provided engineering professors, to assist the Corps in looking at new directions for the future. The thrust of the program is to help address technical dimensions of the Corps as well as addressing the number of senior people retiring.

F. THE IRAQ STUDY GROUP REPORT: THE WAY FORWARD – A NEW APPROACH

The Iraq Study Group Report is the report of the Iraq Study Group (ISG) that Congress appointed to assess the state of the Iraq war. James Baker and Lee Hamilton led the group. The ISC finalized and released the report on December 6, 2006. The ISC report focused on military, diplomatic, and economic concerns. It identified flaws in current approach to the conflict and made several recommendations that the ISG believed would chart a new course for success in Iraq.

The focus of the ISG report is not directly related to the scope of this research, however, one of its recommendations could have implications for the acquisition community. In its recommendation #74, the ISG recommended that civilian agencies fill key positions in Iraq with direct assignment if no enough civilians volunteered. As a part of this recommendation, the ISG recommended that steps be taken to mitigate financial hardships posed by directed assignments, including tax exclusions similar to those authorized for U.S. military personnel serving in Iraq.

G. USACE EMPLOYEE FEEDBACK, METHODOLOGY AND SCOPE

In December 2007, the Deputy Principal Assistant Responsible for Contracting (PARC) Dallas for the USACE, sent an e-mail to all contracting personnel within the USACE asking, “What would motivate you to volunteer?” Specifically, the Deputy PARC was doing market research for a proposed USACE Contingency Contracting Cadre that would provide a pool of contracting professionals to the Global War on Terrorism (GWOT) and the Emergency missions associated with the Federal Emergency Management Agency (FEMA). Once feedback was received, the information was used for two main purposes. The first purpose was to identify people who may be receptive to volunteering for expeditionary contracting positions, and secondly, to describe common trends among the respondents. Two of the authors of this project were among the respondents to this informal request for information by the Deputy PARC, and pursued communications with those involved with reviewing responses. These conversations provided some insight to the various perspectives within the USACE contracting workforce, and helped direct some of the areas that were researched further. The researchers had no direct or indirect contact with the respondents, nor were any specific information about respondents discussed. Rather the general interpretations of these responses were communicated. Overall, five major issues were identified, and are presented in Chapter IV of this paper as supporting data for the recommendation for motivating the current USACE contracting workforce to volunteer.

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III. BACKGROUND

A. INTRODUCTION

The U.S. Army Corps of Engineers (USACE) is the world's largest public engineering, design, and construction management agency. The Corps' mission is to provide vital engineering services and capabilities to support a wide range of federal civil works and military programs throughout the United States and to support U.S. missions overseas. The civil works program includes activities related to, among other things, flood damage reduction, environmental stewardship, and ecosystem restoration, while the military program includes military design and construction, real estate management, and international and interagency services. In addition to its headquarters office in Washington, D.C., the Corps has eight division offices, 41 district offices, and two centers. This does not include the newly formed GRD, and AED.

To accomplish its work, the Corps relies on a workforce of approximately 35,000⁹ which includes biologists, engineers, geologists, hydrologists, natural resource managers, contracting, and other professionals. In addition to its historical mission, since the 1990s, the Corps' priorities have shifted to include an increased focus on supporting contingency/expeditionary operations, such as addressing terrorism and responding to natural disasters. This shift in priorities is placing new demands on the agency's workforce, such as supporting hurricane recovery like Charlie in 2004 and Katrina in 2005 as well as the clean up for 9/11 and the support for the Global War on Terrorism. In response to these events, the Corps has deployed unprecedented numbers of civilian contracting personnel. All of these contracting professionals were volunteers who have made personal sacrifices to support contingencies at home and abroad.

B. GULF REGION DIVISION STRUCTURE

The United States, along with its coalition partners and various international organizations and donors, has embarked on a significant effort to rebuild Iraq and

⁹ U.S. Army Corps of Engineers, Home page <http://www.usace.army.mil/who/>.

Afghanistan. The United States is spending billions of dollars on this reconstruction effort while combating an insurgency that has targeted military and contractor personnel and the Iraqi people.¹⁰ The United States, through USACE and others, has relied heavily on private-sector contractors to provide the goods and services needed to support both the military and reconstruction efforts in Iraq and Afghanistan.

In its support of the contingency operations in Iraq and Afghanistan, the Corps established the Gulf Regional Division (GRD) and the Afghanistan Engineering District (AED). The GRD, was activated on 25 January 2004, in Baghdad, Iraq. Three districts (North, in Tikrit; South, in Tallil; and Central in Baghdad) were organized simultaneously with the Division. This new organization consolidated the different USACE activities operating in Iraq under one command, creating a sustainable, supportable engineer presence. The GRD initial mission was to support military construction and, later, to be the construction management component.

The three districts have a combined twenty-nine contingency contracting specialist positions to execute the GRD mission.¹¹ These contracting professionals are responsible for all construction projects, which include renovation and construction of hospitals, primary healthcare facilities, municipal buildings, water and wastewater treatment facilities, police stations, border forts, courthouses and prisons, electrical power generation, transmission, and distribution systems, roads, seaports and airports. As of August 2008, the GRD had awarded more than \$7.2 billion in reconstruction projects.

The mission in Afghanistan is practically the same, but on a smaller scale. Since 2002, the AED has awarded nearly \$3.5 billion in construction contracts for projects that support security forces, the Afghan military, national police, U.S./Coalition Forces, counter narcotics, border management, and strategic construction. AED will manage more than \$2 billion in construction projects in FY08. AED has seven contracting positions to manage and execute reconstruction projects. These individuals are

¹⁰ GAO-06-1132, September 2006, Iraq Contract Costs: DOD Consideration of Defense Contract Audit Agency's Findings.

¹¹ U.S. Army Corps of Engineers – A Brief History, <http://www.grd.usace.army.mil/divisioninfo/history.asp>.

responsible for overseeing the work of hundreds of contractors who in turn employ thousands of workers with the majority being Afghan citizens. The number of Afghan citizens working on Corps projects will vary according to the life cycle of the construction projects. During the peak construction season the number has gotten as high as 16,000. Managing contracts for such a workforce requires an adequate staff of well-trained contracting officers and specialists, who the Corps has struggled to maintain.

C. VOLUNTEERS

Civilian volunteers are at the heart of the USACE mission in Iraq and Afghanistan. Without active duty military cadre to support the recovery efforts in the war zones of Iraq and Afghanistan the USACE relies totally on civilian volunteers of several disciplines to meet these critical missions. The districts of the Gulf Region and Afghanistan are doing a tremendous amount of work with the workforce on hand but the shortage of skilled individuals to execute contracts and oversee contractors' performance has created some significant challenges. The need to maintain an adequate team of qualified volunteer contract specialists and contracting officers is especially critical. The USACE has found it extremely difficult to persuade enough contract specialists to volunteer for these duties. Some of the major problems USACE is experiencing are: (1) a lack of meaningful incentives to compel individuals to volunteer; (2) a shrinking workforce nationwide for the past several years; and (3) a current lack of contract specialists within the federal acquisition workforce.¹² These areas will be explored further within various areas of this paper.

D. RECRUITING AND RETENTION

Recruiting and retaining new contracting specialists has become very difficult due to the downsizing of the acquisition workforce in the '90s and the aging of the entire workforce in the country. Throughout its 41 Districts, and two Centers, the USACE is authorized 1,200 full time contracting specialists; however, current staffing is only 900.

¹² Congressional Budget Office Report: The All-Volunteer Military: Issues and Performance, dated July 2007.

This equates to a 25 percent vacancy rate, which has been seemingly impossible to erase. For example, the districts of the South Atlantic Division (SAD) have seen a constant flow of contract specialists departing for promotions and other unspecified reasons. They have moved on to other divisions within the USACE, other agencies within the federal government as well as other municipalities and private sector businesses. These losses have left most SAD districts with open contracting slots that have been difficult to fill. The Savannah District, the largest military district in the South Atlantic Division, has been working unsuccessfully for months to fill more than 10 much needed positions. With an enormous workload fueled by the Army transformation and Defense Base Closure and Realignment Commission (BRAC), Savannah's contracting workforce has logged huge amounts of overtime to manage the workload. The struggle to recruit and retain adequate staffing to meet its mission has also placed a strain on encouraging those who otherwise would be compelled to volunteer for deployments to Iraq and Afghanistan.

Other agencies are also experiencing the pain of recruiting and retaining an adequate contracting staff. In a recent GAO report¹³, GAO noted that the Army Contracting Center of Excellence, which also executes a huge contingency workload, was having trouble recruiting and retaining qualified contract specialists. An official told GAO that the agency had 10 contract specialist positions that have been vacant for as long as five months, as well as another 12 vacancies such as procurement analysts and cost/price analysts. According to the report, from August 2006 through August 2007, 24 contract specialists, more than one-quarter of its government-contracting workforce, during the period left the agency. Agency officials stated that some of these personnel retired, but many had gone to work for private contractors that support the federal government. These factors are important because shortages in contracting in federal agencies throughout the country and around the world have led to a crisis that directly affects the USACE's ability to staff and execute its mission in Iraq and Afghanistan.

¹³ GAO-08-360 DEFENSE CONTRACTING, Army Case Study Delineates Concerns with Use of Contractors as Contract Specialists, March 2008.

E. CHALLENGES

Although the USACE contracting teams in Iraq and Afghanistan have performed admirably and have had numerous success stories,¹⁴ the shortage of contracting personnel has caused some major challenges to the operations of both the GRD and the AED. Some of the successes are visible in the completion of more than 4,134 projects at a total construction cost of \$6.1 billion. A few of these success stories include the Nassriya and Erbil City-Ifraz water supply projects that are now providing potable water to more than 880,000 people. The Kirkuk Substation and Qudas electric plant expansion that generated enough power to service nearly 235,000 homes is another success story, as well as the Basrah Children's Hospital that offers state-of-the-art facilities and equipment with a focus on pediatric oncology. In the oil industry, the USACE has completed more than 116 projects that have raised oil production to more than 3 millions barrels per day while accomplishing the per day production of natural gas of 800 million standard cubic feet. The USACE has also performed 112 railroad renovation projects, 25 aviation project, including eight airport improvements, and over 1300 health and education facilities.

Beyond these success stories, however, there have been some failures such as the Al Fatah River Pipeline Crossing, which failed because of subsurface geologic conditions, which made it impossible to retain open boreholes for large diameter pipelines. Warnings of these conditions were highlighted in a consultant's desktop study before the project was awarded. The Special Inspector General for Iraq Reconstruction (SIGIR)¹⁵ ascribed the failure to a flawed construction design, a management structure that impeded communications, and inadequate oversight by the USACE. The failure to complete this project may have been instrumental in losing more than \$1.5 billion in potential oil revenues critical to the Iraqi government. Additionally, the Relief and Reconstruction work at the Mosul Dam experienced numerous problems, which led to

¹⁴ The facts stated are taken from the GRD web site www.grd.usace.army.mil contained in the Essay on Forward newsletter and reconstruction fact sheets.

¹⁵ Special Inspector General for Iraq Reconstruction; Al Fatah Pipe River Crossing in Fatah, Iraq: SIGIR PA-05-010, March 7, 2006.

poor quality of work and wasted resources. More than \$19.4 Million was spent on equipment and material for grouting operations, however, this equipment did not provide the benefits expected, and may have been a waste of money. It was also noted that several contractors' invoices lacked supporting details for material and equipment demonstrating a lack of oversight by the contracting officer. The Baghdad Police College constructed by Parson, Inc., for a total of \$72.2 Million had numerous deficiencies. The contractor did not provide the government design drawings for review nor did the government review daily quality control reports and was unaware of significant deficiencies, including poor plumbing, expansion cracks and exposed rebar. These are but a few contracts with major deficiencies that were directly or indirectly a result of insufficient oversight by the contracting officer.

F. SUMMARY

Beyond its mission at home as the world's largest public engineering, design, and construction management agency, the USACE involvement in the Relief and Reconstruction in Iraq and Afghanistan is vital to the U.S. national security. In its support of the contingency operations in these countries, the USACE established the Gulf Region Division and the Afghanistan District to carry out its assigned mission. These offices are mainly staffed by civilian volunteers who execute hundreds of projects in the rebuilding efforts in Iraq and Afghanistan. Recruiting and retaining volunteer contracting specialists is a huge challenge for the USACE as its acquisition workforce becomes older and struggles with recruitment of new people to enter federal employment. The shortage of contracting personnel has caused some major challenges to executing and administering contracts.

IV. ANALYSIS OF THE USACE EMPLOYEE FEEDBACK

A. BACKGROUND

Two of the researches for this project are part of the USACE contracting workforce and over the past four years, we have seen various methods used to motivate us to volunteer for deployments to operations in Iraq and/or Afghanistan. An appeal to our sense of duty is the most common approach. A recent e-mail from the USACE commander started with “I am extremely proud of the way you have answered the call in Iraq and Afghanistan...a critical priority for the Corps! You are impacting them in a positive way and helping make a better life for the people and their children.” This has become a topic at every quarterly town hall meeting, organized district function, and employee newsletter. Although many people have chosen to volunteer, the USACE command still struggles to fill critical positions in the GRD and the AED. A logical question to ask is why some people volunteer, and others do not. By looking at limiting factors that are prevent people from volunteering, the USACE leadership can address concerns and develop meaningful incentive programs.

As market research conducted by the USACE PARC Dallas and the USACE PARC Winchester, for a newly proposed USACE Contingency Contracting Cadre, contracting personnel provided feedback as to what it would take to entice them to volunteer for a contingency contracting assignment. The majority of the responses fell into one of five major categories. Researches used these five categories as talking points while discussing the issue with contract specialists, contracting officers, administrative contracting officers, and various leaders within the USACE. These five general categories are discussed below.

B. FINDINGS

The Responses from contracting personnel are grouped into one of five major categories. Three of the categories are barriers to volunteering. Those being a perception that volunteering could be detrimental to ones career, anxiety about not being properly

trained, and worry over family while away. The final two categories are considered areas that motivate people to volunteer. These are financial incentives, and a desire to contribute to a worthwhile cause. Of some surprise was the lack of concern over ones personal safety.

The first barrier is concern about repercussion if employees leave their current jobs to volunteer for assignments within GRD or AED. As mentioned earlier, districts are currently understaffed, and management is not always pleased about losing valuable resources to long deployments. Employees worry that while Headquarters encourages them to volunteer, their first line supervisor may resent their leaving. Brigadier General Joseph Schroedel, Commander, USACE South Atlantic Division, in a recent e-mail message made reference to individuals being denied the opportunity to deploy by their supervisor. He wrote, "ONLY the Secretary of Defense has the authority to deny anyone from volunteering. I hold all leaders accountable for supporting an individual's desire to deploy. Further, I expect any individual who is being denied the opportunity to deploy to let your District Engineer and - or me know personally!! Supporting the GWOT is still our top priority!!"

A related problem is that volunteers may miss opportunities for advancement while they are deployed. This is a complicated problem, which causes great concern for employees. If employees believe by volunteering for deployment that they are in fact making a poor career move, it is unlikely they can be convinced otherwise.

Another common response was that potential volunteers wanted to receive proper training prior to being deployed. There were concerns about not knowing enough about contingency contracting and how it might differ from their normal contracting experience. Generally, people want to be well prepared in order to do a good job once they arrive at a new duty station; thus avoid walking into a situation in which they are not prepared to handle.

Although contracting personnel often attend the Defense Acquisition University (DAU) Contingency Contracting course, CON 234, prior to taking a contingency assignment, even DAU recognizes the need for expanding this course to include recent

lessons learned. At the 2008 Army Procuring Contracting Officer and Intern Training Symposium, a briefing by Leonardo Manning, Director, Center for Contracting, DAU Stafford, VA, outlined DAU's response to recommendations from the Gansler Commission. In brief, DAU has created a Joint Contingency Contracting Handbook, and redesigned DAU's contingency contracting curriculum to train a journeyman-level contingency contracting officer, with the necessary experience, to be deployable and immediately effective upon arrival to support the mission. DAU is currently standardizing the block of contracting courses that will fully train and qualify contingency contracting officers. DAU is also developing an advanced Contingency Contracting Course to provide "just in time" training to senior-level contracting personnel deploying to a management position. DAU is also working on a multi-day joint contingency "immersion experience" that will incorporate interactive computer simulation with increased hands-on applications

The briefing identified the following ten courses as the block of contracting courses for contingency contracting officers.

- CON 100 - Shaping Smart Business Arrangements
- CON 110 - Mission Support Planning
- CON 111 - Mission Planning Execution
- CON 112 - Mission Performance Assessment
- CON 120 - Contracting for Mission Support
- CON 234 - Joint Contingency Contracting
- CON 237 - Simplified Acquisition Procedures
- ACQ 101 - Fundamentals of System Acquisition Mgt
- CLC 033 - Contract Structure & Format
- CON 244 - Construction Contracting (Optional)

While researchers, of this paper, support the idea of updated DAU course work, it is unclear if this training will be enough to prepare the USACE contracting personnel for expeditionary contracting currently done in GRD and AED. Further analysis of DAU curriculum is needed to determine if a gap exists. It may be necessary for the USACE to sublimit DAU courses with specific training of their own.

The desire for proper training is encouraging. It implies that if the USACE commits to training people they are more likely to volunteer. It also shows that people want to be prepared so that they can perform their jobs with high proficiency

Some respondents said they have considered deployment, but that the care of their family back home was a concern. Family care plans for soldiers deploying to contingency environments are standard and give a sense of relief to the soldier knowing that there is a safety net for their children (if single or if dual military) or their elderly parents where they are the primary care giver. Many in the civilian workforce are single parents and/or the primary caregiver to their elderly parents, but are not required to develop any type of plan in advance. The USACE is currently developing family programs to address these issues. The plan is to hire ten community support coordinators, who will be located in division offices and build support networks for the families of deployed civilians. It may be useful for these coordinators to use the Active Duty Family Support Plan as a model.

Respondents mention financial incentives most often as motivators for volunteering. This may be because the market research e-mail specifically asked, “Is there a percentage amount that would motivate you to volunteer to serve in this program?” Regardless of the reason, the responses do provide a guideline for setting incentive thresholds. Bonus and pay caps were discussed, and most people said they would consider volunteering for 15 percent of their base salary for short deployments and 20 percent for longer deployments. Financial incentives are not new, but the threshold at which people could start to consider volunteering is new and potentially valuable information for the USACE.

Personal satisfaction was also a common response. Respondents wanted to know that they would be doing meaningful work, and that they would really make a difference. Employees described a sense of patriotism, and a desire to be part of an American effort. Respondents voiced a concern that they would not be doing “real” contracting, but rather used as a clerk doing paperwork. In other words, before civilians commit to a cause, they need assurances that their personal sacrifice will make a difference. They need to know their technical skills will be used appropriately, and that they will be contributing to the

overall success of the mission. One comment from a leader within the USACE, indicated if we are sent over to Iraq or Afghanistan so we can do what we do best, construction contracts, but are pulled off that duty to purchase supplies for the command, it is diverting our specialized resources. We are forced to work in areas that should be handled by the agencies like Defense Contract Management Agency (DCMA) or Army Contracting Agency (ACA) that typically do not do construction contracting.

C. CONTINGENCY CONTRACTING CADRE

While Engineering, Project Management, and Construction Divisions have taken different approaches to fill expeditionary positions, some within the USACE contracting community have proposed a USACE Contingency Contracting Cadre (UCCC) of 1102s. The UCCC mission would be to provide contracting assets to both the GWOT and the Emergency missions associated with FEMA support. The recommendation is to combine all expeditionary contracting requirements into one cadre of volunteers. Under the current structure, GWOT and FEMA, while pulling from the same pool of potential volunteers, are organized separately, and their staffing processes differ. The staffing process for GRD and AED, which support the GWOT, is discussed later in this paper. The FEMA support teams are discussed below.

The USACE has established Planning and Response Teams (PRTs) that work as support to FEMA.¹⁶ The PRTs support the following six emergency missions National Ice, National Water, Emergency Power, Temporary Roofing, Temporary Housing, and Debris Removal. Each USACE Division is responsible for identifying a designated number of volunteers that serve on one of the six Emergency Missions through PRT's. PRT's are staffed by volunteers from a variety of functional areas including contracting. These teams require a total of 85 contracting volunteers. Other members of the PRT's include all necessary functional areas filled by personnel appropriate to the mission. These functional areas include Engineering, Construction, Logistics, and Project

¹⁶ Public Law 84-99 (33 U.S.C. 701) authorizes the USACE to provide emergency response/disaster assistance. Federal Response Plan (Stafford Act), Emergency Support Function #3 – Public Works and Engineering authorizes the USACE to respond and provide recovery assistance to state and local customers that is beyond their capabilities.

Management. PRT members train together throughout the year and share experiences each time they activated to support FEMA. With training and actual work, team members become familiar with each other, and the team becomes more effective.

The requirements for membership in the UCCC would include a signed agreement, which would be effective for three years and with agreement of all parties, could be extended on an annual basis thereafter. Members would need to maintain medical, dental, physical fitness and immunization requirements. Defense Acquisition Workforce Improvement Act (DAWIA) certification at the appropriate level (dependent on grade) in the CP 14 Occupation Series would be necessary. Members would maintain a performance rating of satisfactory or above. Members would need supervisor's approval prior to acceptance, and any disapproval that was based on workload considerations would be elevated to the Division level to see if resources could be found regionally or nationally.

Similar to the PRT's the UCCC concept would make each Division responsible for a designated number of Cadre members. Once the UCCC membership was established, a rotation list for each Division would be maintained by the Central Management Office (CMO). This list would be made available to members of the Cadre within each region. The rotation list would have three parts – those eligible/willing to deploy for both a PRT and GWOT, those willing to deploy to GWOT only, and those only eligible/willing to deploy with a PRT. The rotation list for GWOT would be established by a name draw within each region to ensure fairness to each member. The first person drawn would assume the top position on the list. Once a person from the top of the list deploys, they would move to the bottom of the list. As new members join each year, a name draw will take place among the new members and they will assume the positions above the last person deployed from the previous list. Members must be willing to deploy with short notice, less than 30 days notice GWOT and six hours notice for PRT.

As seen with the results of the survey, financial incentives would be a factor in getting the right people to join the UCCC. Because of certain civilian personnel regulations, pay incentives are not always possible. Final incentives are still being

explored, but it appears waivers and/or changes to current regulations may be necessary to implement the proposed financial enticements outlined below:

- Cadre members would receive an annual retention incentive of five percent of the base pay to be paid out with biweekly pay.
- Foreign Post Differential (FPD) normally begins on the 43rd day of deployment and is retroactive in Iraq and Afghanistan. FPD can be up to 35 percent of a members basic pay.
- Danger Pay, as determined by the SECSTATE, can be up to 35 percent of the member's basic pay and begins on the first day in theater.
- The USACE also pays a relocation incentive of 15 percent of a person's base salary when they volunteer for a six-month deployment and 25 percent for a one-year deployment.
- There is a pay cap for civilian employees; however, the USACE plans to process a waiver for all Cadre deployments. Once waived, the pay cap would be equal to the annual pay of a GS-15, Step 10, or approximately \$186,600 per year.
- Annual leave forfeited by an employee because of service in a combat zone would be automatically restored. Cadre members would have two years to use restored annual leave.

The USACE PRTs are structured so that prior to an actual need, teams are identified, and trained. PRTs are "activated" and moved into place to execute the mission. Additional volunteers may be required as back up, but the initial activation is accomplished with pre-event volunteer team members. The proposed UCCC would use this concept and take it one step further by extending the scope of PRT's response to emergency to a Cadre that would deploy for expeditionary operations. The advantage to Cadre members, over the current PRT approach is the continuous financial incentives for remaining on call, and possible priority for various training.

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V. WORKFORCE ANALYSIS

A. INTRODUCTION

The primary research question of this paper is: How is USACE and the new GRD and AED structured to accomplish the Iraq and Afghanistan contracting missions, and to what extent is the on-going strategy, structure, and processes accomplishing the mission? In order to answer this question, a workforce analysis was done by researches from this project, by answering subsidiary questions. These questions address the current contracting structure, the process of using civilian volunteers, the option of mandating deployment, the effect of an aging workforce, and finally the possibility of outsourcing contracting functions. Each question is addressed in more detail in the following paragraphs. Overall recommendations in this paper to the USACE are drawn from the analysis of these questions and subsequent answers.

B. CHANGES TO THE USACE CONTRACTING STRUCTURE

How does the current USACE contracting structure support contingency contracting?

To support GWOT the USACE has three Districts in the Gulf Region Division of Iraq, the North, South, and Central Districts and one District in Afghanistan; the Afghanistan Engineer District (AED). GRD is authorized 29 contracting position and AED is authorized seven. These offices are supported by reach back to contracting assets through the Transatlantic Program Center (TAC), in Winchester, VA. The overall structure within GRD and AED is the same as with any District. Contracting is run by a Chief who supervises a group of contracting officers who are team leaders for a team of contract specialists. Contracting works very closely with personnel from Construction, Engineering, Project Management, Finance, Resource Management, and end users. The majority of civilian personnel currently working at the GRD and/or the AED are volunteers from the 41 Corps Districts, and two centers, with the majority coming from the TAC. Researchers learned that most are repeat volunteers.

The USACE operates under the concept of Project Deliver Teams (PDT). These PDT's are composed of representatives from all appropriate functional disciplines working together to build successful projects, identify and resolve issues, and make sound and timely recommendations to facilitate decision making. Typical PDT members include, Contracting Officers, Administrative Contracting Officers, Contracting Officer's Representatives, Quality Assurance Representatives, Project Managers, Project Engineers, Engineering, Resource Managers, Office of Council, and the Customer. Early in the acquisition process the PDT are to work together towards a common goal. Experience shows that over time and with shared experiences, the PDT's become better able to work effectively together.

The model of group development, first proposed by Bruce Tuckman in 1965, tells us that in order for a team to grow, and become productive, it is necessary that four stages take place. The stages are, forming, storming, norming, and performing. The concept maintains that these stages are all necessary and inevitable in order for the team to face up to challenges, to tackle problems, to find solutions, to plan work, and to deliver results. During the first stage, forming, the team spends time trying to figure out how to accomplish the tasks and little time actually doing tasks. During the storming stage, the team begins to realize that the task at hand is different or more difficult than they had imagined. Once the team reaches the norming stage, they reconcile competing loyalties and responsibilities. The team develops spoken or unspoken rules on how to proceed. The last stage performing, team members work collaboratively to get the job done and solve problems.

It is important to consider that while the USACE mission may be global, each District is unique in its approach, its personalities and in its processes. The variety of backgrounds and experiences may be useful, however, within the expeditionary environment, assimilating to the current differences is critical. This can more easily be achieved when team has already reached the norming stage. Rather than have teams go through the entire team "life cycle" while they are in a expeditionary environment,

perhaps a better idea would be to have pre-established teams that have trained together on a regular basis. This would be similar to the USACE Emergency Management model of PRTs.

C. PROCESS AND SUSTAINABILITY OF VOLUNTEERISM

How can the process of using Army civilian contracting volunteers in Iraq/Afghanistan be described, and to what extent is the current process sustainable?

The USACE Headquarters attempts to recruit contract specialists and contracting officers from its eight divisions in CONUS to fill the requirements in the theaters. There are currently nineteen open job announcements for contract specialists and contracting officers. When personnel are needed, a referral list is pulled and the most qualified applicants are interviewed. As with any open job announcement, the delay between when an applicant applies and when they are contacted could be months. For this reason, hiring officials stated that it is very common for the majority of the referrals to have changed their minds or already be in new positions when they are contacted for interviews. This system has been effective enough to continue operations in theater without failure. Contracts are being awarded and projects are being accomplished, however, success has not come without its drawbacks. Contract specialists in the theater are working an enormous amount of overtime and there is limited oversight at the project sites. To keep up with the workload, contracting personnel work six, twelve hours days, and one seven-hour day each week.

The USACE command actively encourages civilians to volunteer for deployments to GRD and AED. Sometimes the request is for specific skill sets, but most often, it is a general request for anyone currently working for the Corps. It appears the recruitment tactics from the USACE Headquarters are generic in regards to filling vacancies of a particular job series.

In a recent town hall meeting at the AED, Lieutenant General Robert L. Van Antwerp, the Chief of USACE, referenced contracting at the AED as “doing contracting on steroids.” If this is an accurate analysis, then it is advisable for the USACE to focus

on getting the right people to volunteer for contingency contracting assignments. After all, the idea of “contracting on steroids,” only appeals to a fraction of the workforce. The USACE should create a profile of the type people needed, and work towards motivating these people with a campaign that speaks to them directly. From our analysis, we contend these people would respond to specialized real world training, personal challenges, and ultimately mission accomplishment.

D. VOLUNTARY TO MANDATED DEPLOYMENT

What are likely affects of changing from a voluntary to a mandated deployment approach?

Using civilian support staff for expeditionary operations is becoming increasingly common for the military. With the continual growth of outsourcing of logistics support via service contracts, the requirement for contracting support for expeditionary operation has also increased tremendously. Not only are contracting professionals needed to execute the award of contracts but also to participate in oversight of contractors who are performing the work. Not only has the need for contingency contracting personnel increased, contracting personnel face an increasing workload, while performing more complex actions than ever before. Despite this fact, the civilian and military contracting workforce is declining. Currently the USACE uses a volunteer contracting workforce and a few military contracting personnel to provide for its contingency requirements. The USACE is finding it increasingly difficult to find volunteers to fill key requirements.

The contracting situation is of such magnitude that it has some leaders calling for federal agencies to mandate civilian direct assignments in support of contingencies. In their Iraq Study Group Report, James A. Baker, III, and Lee H. Hamilton proposed that federal agencies supporting the Iraq war and reconstruction by ordering their civilian employees to fill key jobs in combat zones if not enough volunteers step forward. The recommendation states, “In the short term, if not enough civilians volunteer to fill key positions in Iraq, civilian agencies must fill those positions with directed assignments.

Steps should be taken to mitigate familial or financial hardships posed by directed assignments, including tax exclusions similar to those authorized for U.S. military personnel serving in Iraq.”

The recommendation grew out of a sense that civilian agencies are not contributing enough personnel to Iraq, adding to the burdens on the U.S. military. The Baker/Hamilton report has some civilian workers and union alarmed at the idea of directed reassignments of civilian agency employees to a military war zone. One union leader stated that the recommendation does little more than advocate a ‘draft’ for federal workers. With the pushback from workers, unions and others, it is unclear what chance the report’s recommendations have of being adopted. The State Department, however, facing the same personnel shortage dilemma, has issued a memo stating that employees either deploy to support contingencies, specifically Iraq, or risk being fired.¹⁷

This move by the State Department may be a source of fuel for the debate in the DoD. Even in the face of opposition from workers and their unions, however, Defense Department officials have recently said they may seek legislation or other measures to reduce institutional barriers to deploying civilians overseas, including to Iraq and Afghanistan. Such an approach may have significant impacts on the workforce and further degrade the number of contracting employees, thus further affecting available for deployments.

Some of the major challenges confronting the USACE acquisition workforce over the past decade are a shortage of qualified acquisition personnel, an ever-increasing workload, and more complex and detailed contract actions. The Army Transformation and the latest round of Base Realignment and Closures (BRAC) have created an onslaught of military construction and major services requirements. This has generated an overwhelming workload for the USACE that requires contracting of greater complexity. This comes at the same time when the USACE is experiencing difficulties recruiting and retaining experienced acquisition personnel. This situation has also affected the number of contract specialists available to support GRD and AED. Many of

¹⁷ State Dept.: Go to Iraq or You’re Fired; CBS News Washington, October 26, 2007.

the USACE districts do not have enough contracting assets to accomplish their own mission. Therefore, many supervisors discourage workers from volunteering for contingencies that will take them out of the office for six months or more. Furthermore, when they are allowed to deploy, many of them lack the experience necessary to perform the complex acquisitions required. Not having enough contracting resources forces the GRD and AED to operate under-staffed, making it difficult to meet the requirements of the mission effectively. The USACE professionals are consistently faced with these challenges, causing some to migrate to the camp of those calling for mandating assignments to support contingency operations.

The USACE currently provides civilian contracting specialists to support the contingencies in Iraq and Afghanistan on a voluntary basis. Due to shortfalls, however, the pressure is on to move to a mandate system where specialist will be direct assigned. The following are pros and cons of moving from a voluntary to a mandated system:

Mandating civilian contracting rotation would provide the USACE with a better-staffed, more knowledgeable, and better-equipped workforce in place to meet mission requirements. The USACE would accomplish this by selecting individuals with the proper skill set to deploy. In response to the Gansler Commission Report, the Army acquisition community is undergoing an enormous transformation in order to restructure how it handles all of its contracting actions. These changes will also affect the USACE. The Gansler Commission Report to Congress indicated that urgent reform is required in Army expeditionary contracting. One key recommendation of the report called for an “increase of the stature, quantity, and career development of military and civilian contracting personnel (especially for expeditionary operations)” (Gansler 5). Lack of adequately trained contingency contracting officers and specialists has been found to be a contributing factor of waste, fraud, and abuse during the course of contracting operations in Afghanistan/Iraq. In order to support its operations and the rebuilding of Iraq and Afghanistan, the acquisition community must be able to procure the services and construction that will support our Warfighter as well as rebuilding these countries. Adding a contingency environment to contracting actions increases the need for highly trained personnel to carry out these rebuilding efforts. One way to ensure that adequate

quantities of properly trained contingency acquisition personnel are available to support the USACE mission in expeditionary operations is to mandate rotational assignments for civilian contract specialists.

Mandatory rotation of civilian contracting personnel would allow the Army to have immediate access to an adequately trained and professionally certified workforce. In accordance with DAWIA signed into law in November 1990, the Secretary of Defense, acting through the Under Secretary of Defense (Acquisition, Technology, and Logistics), is required to establish education and training standards, requirements, and courses for the civilian and military acquisition workforce. Training for contingency contracting can be incorporated into the Defense Acquisition Workforce Improvement Act (DAWIA) curriculum and certification standards. By doing so, the USACE will create a larger portion of its staff that will be able to support contingency operations. Once on the ground and in theatre, more civilians will be prepared to handle the contingency contracting environment. Of the specialists currently in theatre, only a small percentage is properly trained in contingency contracting. Mandating rotation for civilian contract specialists would allow more focus to be placed on providing continuous contingency contracting training. The USACE would also have a more knowledgeable and better-equipped workforce in place to meet mission requirements. Furthermore, contracting professionals will experience 'hands-on' training. Oftentimes, 'hands-on' or 'on-the-job' training is the best way in which people learn. The real life, hands on, experience gained while supporting a contingency operation cannot be obtained in a classroom or a planning cell while in the comforts of one's home station environment.

Mandating civilian rotations will allow the USACE to have the resources to provide better oversight of projects in Iraq and Afghanistan. Having the right people, with the right skills, in the right place overseeing contractor performance is crucial to ensuring that the USACE receives the best value products/services for the billions of dollars spent each year. Contracting Officers are responsible for quality assurance, especially regular surveillance and documentation of results. This is essential to

determine whether goods or services provided by the contractor satisfy the contract requirements and minimizes the risks that the government will pay the contractor more than the value of the goods and services.

Some disadvantages to mandating civilian contracting personnel rotation to support reconstruction efforts are: mandating civilian rotations will place civilians in harms way against their will, many civilians are not physically fit, and it could lead to a mass exodus by contracting specialist, .

Mandating civilian rotations will place civilians in harms way against their will. Generally, civilians do not sign up to go to work in war zones, nor are they trained for such conditions. Current regulations governing DoD civilians in a contingency environment show that DoD lacks a comprehensive policy ensuring adequate protections. Most of the regulatory guidance dealing with DoD civilians accompanying the military was written prior to the War on Terror. Current contingency operations in Iraq and Afghanistan put DoD civilians at risk for kidnappings, torture, and murder by terrorists, criminal elements, and other insurgency forces.

Many civilian employees are not physically fit to the level necessary to be successful in a contingency environment. Unlike the military, civilians do not have a physical fitness standard. Civilians are not required to be prepared for the physical challenges of war and therefore are at higher risk of physical and mental failure. Initially, civilian positions were not created for the purpose of deployments, but to provide the necessary resources needed to support the Federal Government in military operations. In addition, the most civilian workers come into the workforce for career opportunities that provide job security, benefits, and safe work environments.

Mandating rotational assignments for civilian contract specialists could lead to a mass exodus from the USACE. As noted in previous sections of this paper, the USACE is experiencing serious problems recruiting and retaining sufficient acquisition personnel to meet its mission at home. Mandating assignments to Iraq and Afghanistan will be problematic and could cause workers to leave the USACE to avoid deployment.

Furthermore, hundreds of Baby Boomers that are eligible to retire may opt to retire earlier than planned instead of being forced into a dangerous situation.

The voluntary system USACE currently uses is not working well and changes are needed. The shortage of qualified contract specialist willing to deploy has lead to poor contracting practices, a lack of surveillance, and some shabby construction work. The contracting situation is of such a magnitude that it has some leaders calling for federal agencies to mandate civilian direct assignments in support of these contingencies. There are several areas that may be improved under a mandated system and the pros and cons that go along with these improvements. However, the greatest of these issues it that such a system could lead to a mass exodus of an already scarce commodity, the contract specialist.

E. IMPACT OF AGING WORKFORCE

To what extent does an aging U.S. defense workforce affect Gulf Region Division (GRD) and Afghanistan Engineering District (AED) contracting mission over the next few years, i.e., what are the expectations for sustaining current levels of U.S. contracting volunteerism, and what are additional alternatives?

The Department of Defense (DoD) acquisition workforce, including the Army Corps of Engineers (USACE), is facing a significant crisis with the imminent loss, through retirement and attrition, of a substantial portion of its experienced personnel. These key individuals are responsible for acquiring goods, services, and construction to meet the USACE mission. It has been well documented that thousands of baby boomers, those born between 1946 and 1964, will be leaving the DoD workforce within the next few years, creating a huge breach in the acquisition corps that will be extremely difficult to fill.¹⁸ How did this happen? Between 1989 and 1999, DoD downsized its civilian acquisition workforce by almost 50 percent.¹⁹ These reductions were the product of

¹⁸ The Gansler Report: Acquisition Workforce 2005 Task Force Report.

¹⁹ ACQUISITION WORKFORCE: Department of Defense's Plans to Address Workforce Size and Structure Challenges; GAO-02-630, April 2002.

several DoD measures such as acquisition reforms and base realignments and closures. At that time, DoD estimated that of the remaining workers as much as half will be eligible for retirement by 2005.

The generations behind the baby boomers, generations X and Y, are smaller in number and will not be capable of replacing the boomers on a one for one basis. According to the Acquisition Technology & Logistic (AT&L) Human Capital Strategic Plan of 2007, within DoD workforce there are approximately 439,000 baby boomers, equating to 64.5 percent of the DoD workforce. In contrast, the generation behind the boomers, Generation X, which are those born between 1965 and 1976, are approximately 133,000 or 19.5 percent of the federal workforce, while Generation Y is roughly 63,000, making up approximately 9 percent of DoD. As baby boomers retire, USACE, along with most federal agencies will be impacted negatively. When considering the contracting workforce vacancy rate, it appears that aging affect has already impacted the USACE acquisition workforce.

According to information obtained from USACE Headquarters, USACE is authorized 1200 contracting professionals but is currently manned at 900, carrying a 25 percent vacancy rate.²⁰ The aging crisis is most likely directly and indirectly impacting the Corps acquisition workforce and is indeed contributing to the shortfall. This shortfall is affecting the USACE mission at home and in its support to contingencies. This is especially critical when considering the important mission of reconstructing Iraq and Afghanistan. USACE must be concerned to what extent an aging U.S. defense workforce will affect the Iraq and Afghanistan contracting missions over the next few years. In other words, what are the expectations for sustaining current levels of contracting volunteers and what are additional alternatives?

USACE should consider two ways the aging workforce may affect sustaining current levels of contracting volunteers in support of the Iraq and Afghanistan missions. First, there will not be as many contract specialists available for deployments. The anticipated increase in retirements over the next few years will likely reduce the number

²⁰ HQ USACE Contingency Contracting Cadre Briefing.

of contract specialists drastically. The situation will create shortfalls at the district level, having a direct impact on meeting the district's mission. The table below, from the 2005 Acquisition Workforce Study, shows the increase in retirement eligibility from 2005 to 2015. The number of contract specialists (GS-1102) eligible for retirement will increase from 13 percent in 2005 to an astonishing 54 percent in 2015. The statistics for purchasing (1105) and procurement clerical and assistance (GS-1106) are even more profound at 62 percent and 64 percent respectively.

Table 1. Acquisition Workforce at a Glance FY 2005²¹

	General Business and Industry GS-1101	Contracting GS-1102	Industrial Property Management GS-1103	Property Disposal GS-1104	Purchasing GS-1105	Procurement Clerical and Assistance GS-1106	Industrial Specialist GS-1150	Total
Population	23,937	27,589	526	666	3,098	2,370	1,291	59,477
Average Grade	10.57	11.09	11.24	10.79	6.86	5.99	11.11	10.45
Average Age	48.73	46.84	51.90	51.32	48.79	49.21	51.57	48.00
Percent Female	56%	60%	51%	46%	75%	85%	29%	60%
Percent Eligible To Retire*	15%	13%	31%	27%	18%	21%	34%	15%
Percent Eligible To Retire FY 2015*	55%	54%	83%	79%	62%	64%	81%	57%
Percent College Graduates	42%	69%	33%	17%	12%	9%	33%	51%
Members, Senior Executive Service	108	74	0	0	0	0	0	182

Secondly, USACE should consider that cultural pressure might hinder volunteers: The increased retirements, coupled with the retention struggles mentioned earlier, will create shortfalls at the district level, which will impact local mission accomplishments. In turn, the districts will be less enthused to encourage members to deploy - some may even discourage it. Those who consider deploying may decide not to due to pressure from supervisors and peers. Supervisors, already experiencing the impact from an under-manned staff, would not want to see another valued employee leave for any reason, no matter how noble it may seem. Coworkers already burdened with their own heavy

²¹ Federal Acquisition Institute Annual Report on the Federal Acquisition Workforce – FY 2005.

workload will not want to assume additional work from a deployed member's desk. This could cause some dissension in the ranks, which could lead to morale issues.

Due to this anticipated increase in retirements, the expectation of sustaining current levels of contracting volunteers should be thoroughly examined. The picture the numbers paint is not appealing, and the USACE must face the fact that huge losses in its acquisition workforce will have a negative impact on mission accomplishment. As the baby boomers exit the workforce in droves, there will be few generation X and Y members to replace them. The USACE must consider these factors in its human capital planning and develop strategies to minimize the impact of the aging workforce on its contingency/expeditionary mission.

F. RESOURCING CONTRACTING FUNCTIONS

To what extent has the USACE used outsourcing to accomplish needed contracting functions in Iraq and Afghanistan?

The USACE is working to resolve, the many challenges to maintaining a strong acquisition workforce in Iraq and Afghanistan, however, the leadership within the USACE has not outsourced any acquisition workforce responsibilities for these operations. This paragraph will look at the overall effects of outsourcing acquisition personnel, and provide rationale for why this practice is not recommended.

As previously noted there are many challenges to the federal acquisition workforce. In order for them to keep up with the increased workload and complexity of contracts, federal agencies are turning more and more to outsourcing of acquisition personnel. "Without a public debate or formal policy decision, contractors have become a virtual fourth branch of government. On the rise for decades, spending on federal contracts has soared during the Bush administration, fueled by the war in Iraq, domestic security and Hurricane Katrina, but also by a philosophy that encourages outsourcing almost everything government does."²²

²² "US: In Washington, Contractors Take On Biggest Role Ever" by Scott Shane and Ron Nixon, The New York Times, 4 February 2007.

Service contracts are either personal service or non-personal service. A personal services contract is characterized by the employer-employee relationship it creates between the government and the contractor's personnel. The government is normally required to obtain its employees by direct hire under competitive appointment or other procedures required by the civil service laws. Obtaining personal services by contract, rather than by direct hire, circumvents those laws unless Congress has specifically authorized acquisition of the services by contract. FAR 37.104(a). Federal agencies shall not award personal service contracts unless specifically authorized by statute (e.g., 5 U.S.C.3109) to do so. FAR 37.104(b). Acquisition service contracts are considered non-personal in nature, and must be administered as such. This may become difficult when contractors are working in the same location as government employees, are using government equipment, are performing the same work as government personnel, and require government direction or supervision.

Studies of the Contracting Centers of Excellence (CCE)²³ acquisition workforce shows where government managed leave for individual contractors. This is just one example of many where government personnel are blurring the line between personal and non-personal services. We believe that most of these violations were carried out for convenience, so that important matters could be addressed in a timely manner.

Using contractors to support contracting missions can lead to questions regarding potential conflicts interest as well as those issues concerning whether or not they are performing a governmental or nongovernmental function.²⁴

Organization conflicts of interest are a consideration of outsourcing acquisition functions. For example on June 12, 2006, the General Services Administration (GSA), responding to a shortage of trained personnel to oversee contracts and determine incompetence and fraud did what is becoming the government's "reflexive answer to almost every problem"²⁵ outsourced this position to a private contractor. GSA's

²³ General Accounting Office, Highlights of GAO-08-360.

²⁴ 2007 report to Congress, DOD's Panel on Contracting Integrity.

²⁵ "US: In Washington, Contractors Take On Biggest Role Ever" by Scott Shane and Ron Nixon, The New York Times 4 February 2007.

requirement was to hire six (6) contract specialists to review files and prepare proposed responses for review and signature. However, documents obtained through the Freedom of Information Act (FOIA) by the Project on Government Oversight showed that the contractor ultimately became responsible for determining incompetence and/or fraud of their potential competitors, thus giving them a competitive advantage for any proposed future work the agency. Additionally, a major U.S contractor, while performing under a government contract, had been accused by the government of writing parts of a statement of work for their own Iraq contract with the government. They were ultimately cleared of charges and (at the time, the article referenced here “U.S.: In Washington, Contractors Take on Biggest Role Ever” was written) avoided a suspension from federal contracting. Even though the FAR²⁶ states that contractors should have a written code of business ethics and conduct, there are no DoD policies requiring employees be free from conflicts of interest²⁷. There just are not enough safeguards in place to ensure that the advice and assistance contractor employees provide is not tainted by personal and/or organizational conflicts of interest.

Another consideration when outsourcing acquisition functions is the disparity of pay within the multi-sector workforce. It has been reported²⁸ that the CCE is paying up to 27 percent more for its contractor provided contract specialists than for similarly graded government employees. We believe resentment and strained working relationships will occur among the workforce when employees doing the same work, have such differences in salaries.

We believe that the USACE sees the value in retaining a strong acquisition workforce made up of government personnel and is resisting outsourcing of its acquisition workforce in order to avoid the problems that are plaguing other government agencies.

²⁶ FAR 9.505

²⁷ GAO-08-360

²⁸ GAO-08-360, March 2008

VI. CONCLUSION AND RECOMMENDATIONS

A. SUMMARY

This paper has addressed several USACE challenges related to maintaining an effective expeditionary contracting workforce in GRD and AED. While some of these challenges have been addressed in recent studies, some are unique to the USACE, and require a more focused study. The researchers present recommendations below to highlight their suggestions to meet the current need for the USACE expeditionary contracting in GRD and AED.

B. RECOMMENDATIONS

1. Recommendation #1

The USACE should explore the concept of an ad hoc virtual Expeditionary Workforce to meet contingency needs as they arise with the built in ability to grow as missions evolve. The expeditionary workforce would be comprised of volunteers from the USACE workforce. When needed, these volunteers would be “activated” for expeditionary operations. The expeditionary workforce, unlike the UCCC discussed earlier, would be structured like the USACE Emergency Management PRT model as outline in Chapter IV. By having these teams of volunteers identified prior to the expeditionary operations, the USACE could respond quickly with the appropriate mix of people.

2. Recommendation #2

The USACE should enhance current training, and encourage team-building experience for the expeditionary workforce. The recommendation is to train as a unit, so that the team building experience discussed in this paper can take place prior to any deployments. Again, this follows the PRT model the USACE is currently using. This will reduce workforce anxiety about working with a new group of people in unfamiliar

environments. The recommendation will create a team atmosphere and commitment not only to the mission but also to the other team members. To best prepare the expeditionary workforce, some training should be hands on real word experiences. In addition to DAU's proposed course work for contingency contracting officers, researches we recognize the USACE process and mission are unique. Therefore, DAU coursework should be supplemented with training for construction contracting with the USACE. Again, we recommend that training take place as a whole team, vs. each skill set training separately.

3. Recommendation #3

The USACE should use monetary and non-monetary incentives to encourage contracting personnel to volunteer for deployments to GRD and AED. The monetary incentives currently being offered, and those proposed are outlined in this paper. Researches agree that this is a factor in motivating people to volunteer for a deployment. There is, however, a concern that government employees do not receive the same tax-free benefits as contractors. We therefore recommend that monetary incentives be expanded to include tax-free income during deployments. While monetary incentives are important to the workforce, researches found that non-monetary incentives are also important. We found that non-monetary incentive such as advanced training, TDY for team building, successful mission experience, HQ recognition, as well as encouragement from local command would create a sense of belonging to a unique unit with life experiences.

4. Recommendation #4

Recommend that USACE not adopt a mandatory contract specialist rotation. Based on the research of this paper, it is our recommendation that the USACE not adopt a mandatory contract specialist rotation in support of GRD and AED. Though a mandated rotation will provide much needed resources for the GRD/AED and it will produce a better-staffed, more knowledgeable, and better-equipped workforce to meet mission requirements, it may also lead to morale problems within the civilian ranks, cause many

to seek employment elsewhere, and force some baby boomers into early retirement. Civilians are not soldiers and, for the most part, would not be receptive to forced deployments, especially to a dangerous location.

Although this research team does not recommend a mandated rotation, however, they do recommend that the Corps study the possible effects a mandated rotation would have on its workforce at home as well as in the theater. This study would give the Corps information of what to expect if a mandated rotation becomes necessary to meet its mission. The study may also give the Corps information about its workforce that can assist future human capital planning. The study should include an examination of the following:

- The effect a mandated rotation will have on the morale
- The effect a mandated rotation will have on recruiting and retaining acquisition professionals
- Whether a mandated rotation will generate a large exodus of acquisition workers
- Whether baby boomers will retire earlier than planned
- Are there any viable alternatives that will cure the need for volunteers

The study should also include a limited pilot program where USACE could obtain real life data that can be used to determine if mandated rotations are practicable. The study should assess the financial feasibility of mandated rotations. The results of the study can also be used in future expeditionary and contingency planning.

5. Recommendation #5

Recommend that the USACE seek new ways to recruit and retain contracting resources. The USACE is currently experiencing a 25 percent vacancy rate for acquisition professionals. The difficulties in recruiting and retaining workers in the acquisition series have made this vacancy rate seemingly impossible to erase. It is therefore recommended that the USACE develop new strategies to attract new acquisition workers. Recommend the USACE utilize commercial approaches such as job fairs, college outreach, and proven media outlets to attract applicants. The USACE should also

make use of available incentive programs and/or develop and implement incentives that will be alluring to younger workers. Resolving this issue will increase the number of acquisition professionals to support the GRD and AED missions.

6. Recommendation #6

Develop and implement a strategy to retain key older workers. As identified in this study, the aging of the USACE acquisition workforce is having direct impact on mission accomplishment. It is therefore recommended that the USACE develop and implement a strategy to retain older acquisition workers. With the baby boomer generation entering retirement eligibility and not enough generation X and Y workers available, it is imperative that the USACE find ways to keep key older workers beyond their retirement eligibility years. This will maintain the number of available workers as well as retaining much needed acquisition experience. Some suggestions should consider– rehired annuitants, retention bonuses, and flexible work hours.

7. Recommendation #7

Further Research for the USACE leadership to consider. Perform a study that includes a survey of contracting personnel that have volunteered for deployments with GRD and AED. By conducting a comprehensive study, the USACE would gain insight as to employee, successes, challenges, and recommendations for improving expeditionary experiences. We suggest this study include exit interviews of employees as they complete their assignments at the GRD and AED.

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